

February 1, 1977

Schmit, Chairman. Mr. President, a motion on the desk for the introduction of a bill. Read motion. (See page 330, Journal.)

PRESIDENT: Senator George. Do you have your committee statements on the Senators desks this morning, Senator George?

SENATOR GEORGE: Yes, the statement is on everybody's desk.

PRESIDENT: Would you like to proceed with your discussion of this matter?

SENATOR GEORGE: Yes, I would like to. I would just like to mention that in addition to the description given to you this morning that this bill is based on the Interim Study of the Urban Affairs Committee last summer. The Urban Affairs Committee had hearings statewide and had meetings and this is, basically, the product of the Interim Study of the Urban Affairs Committee. Therefore, I would like to move the introduction of the bill.

PRESIDENT: All right. Senator Keyes.

SENATOR KEYES: I would like to ask Senator George just one question. Senator George, you are going to create an organization of Senators or government people or men appointed by the government to issue tax exempt bonds, is that from the income tax, the property tax and what other tax are you taking away from?

SENATOR GEORGE: Senator Keyes, I don't think when anybody spends any money that that is taken away from somebody elses tax. I wish we would still have the philosophy that we, this government body, take some money away from the people to tax. I would rather see it the other way around.

SENATOR KEYES: In other words, what you are doing is you are going to issue bonds on which there will be no income tax paid?

SENATOR GEORGE: That is correct, yes.

SENATOR KEYES: Will there be any property tax on these bonds?

SENATOR GEORGE: On the bonds?

SENATOR KEYES: On the bonds, yes.

SENATOR GEORGE: I don't believe that property tax normally goes in connection with bonds. Senator Keyes, the intent, I would like to describe it again in just one simple sentence, is to create more capital to generate more capital in the State of Nebraska in order to be able to finance housing redevelopments.

SENATOR KEYES: If you will let that capital pay taxes just like I pay taxes on the income I derive from my capital, it would be all right, but you are going to remove this from the property tax or from the income tax and I will certainly have to oppose the introduction of the bill.

PRESIDENT: Senator Nichol.